Idaho Grain Market Report, December 15, 2022—NEW CROP PRICES

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lwilder@barley.idaho.gov 208-334-2090 www.barley.idaho.gov

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday December 14, 2022. Barley prices in $/Cwt. And wheat prices in $/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open Market Malting	Wheat (bu.) Milling #1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Rexburg / Ririe	14.50		8.00	9.90	10.27	10.10
Idaho Falls		8.30-16.25	No Bid	No Bid	No Bid	No Bid
Blackfoot / Pocatello		11.50	No Bid	No Bid	No Bid	No Bid
Grace / Soda Springs	13.35		7.20	9.12	9.07	9.12
Burley / Rupert	No Bid		No Bid	No Bid	No Bid	No Bid
Twin Falls / Buhl Jerome / Wendell	14.30		7.21			
Meridian	12.50		7.50	8.58	8.75	
Nezperce / Craigmont	10.46		7.60	8.88	9.13	
Lewiston	10.98		7.86	9.14	9.39	
Moscow / Genesee	10.49-10.93		7.63-7.75	8.91-9.00	9.16-9.26	

Prices at Selected Terminal Markets, cash FOB

Wednesday December 14, 2022. Barley prices in $/Cwt. And wheat prices in $/bu.

	#2 Feed Barley 46 lbs. --	Malting Barley	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			8.55-8.80	9.70-9.90	9.97-10.17	
Ogden			7.81	9.47	9.64	9.47
Great Falls	12.91	15.83		8.68-8.80	8.77-8.92	

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were unchanged for the week ending December 7. Idaho cash malt barley prices were unchanged to up $0.10 for the week. No net barley sales were reported by USDA FAS for 2022/2023 for the week of December 2-8. Net exports were for the week.

Barley and Beer Industry News—The manufacturer of Modelo, Corona, and Pacífico is raising its beer prices due to inflation. Other affected beers include Modelo Especial, Victoria, Negra Modelo, Montejo, and León, according to an announcement by Mexico's National Small Business Association this week. It is still unknown how much more the beer will cost, as the announcement did not say what the price tags will read. Mexican brewing company Grupo Modelo isn't alone in raising its prices. Heineken, the world's second-largest brewery, also announced it would be raising prices this year to offset costs. While the U.S. reported another month of cooling inflation, with November being at 7.1%, Mexico's national inflation remains high, currently sitting at 8.5%, Mexico Daily News reported. But like many areas, inflation has not hit everything the same. According to Mexico's national statistics institute INEGI, beer prices in Mexico rose in October by 11.7%. This is big, with the country consuming an average of 55 to 68 liters of beer every year. The trend of rising prices fits with what's being seen globally, as in the last two years, the cost of producing beer has increased by 62%. In the U.K., the price of beer also rose after the cost of production far outpaced the already rising inflation, a CNBC report said. Production costs have increased in part due to prices of malt, sugar, yeast, hops, and more having skyrocketed across the world. (KYW NewsRadio)

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Market News and Trends This Week—continued

WHEAT-Idaho cash wheat prices were up for the week ending Dec 7. SWW prices ranged from down $0.05 to up $0.37 from the previous week; HRW prices were up $0.01 to up $0.49; DNS prices were up $0.10 to up $0.19 and HWW prices were up $0.08 to up $0.19**.** USDA FAS reported net sales for 2022/2023 for the period Dec.2-8 at 469,000 MT. Destinations were to unknown destinations (164,000 MT), South Korea (89,400 MT), Japan (62,500 MT), Mexico (55,100 MT), and Taiwan (42,800 MT). Exports of 255,900 MT. Destinations were Japan (62,500 MT), Mexico (62,400 MT), South Korea (58,900 MT), Nigeria (33,000 MT), and Guatemala(24,000 MT).

Wheat News—Some of 2022's volatility is gone, but low carryover of wheat stocks and uncertainties are expected to keep prices relatively high as farmers enter the new year. That was the prediction Wednesday from Norm Ruhoff, a clinical assistant professor at the University of Idaho, at the Idaho Ag Outlook Seminar, presented by the university via Zoom. In a word, wheat stocks remain "tight," Ruhoff said, as he rattled off numbers to illustrate his point. Among them: The U.S. wheat stocks-to-use ratio is the lowest since 2013, and there has been a dramatic 25% decrease in that ratio since 2017.Overall global wheat stocks are projected to be at their lowest level since 2017, while inventories of the major wheat exporters are dipping to the lowest level in a decade.It all leads to higher wheat prices, which on Wednesday stood at about $7.50 a bushel on the Chicago Board of Trade. Uncertainties remain for the U.S. winter wheat crop, Ruhoff said. Drought conditions in the Midwest have contributed to only 34% of the winter wheat crop being rated in good to excellent condition, according to the U.S. Department of Agriculture. The numbers are similar in Idaho, where only 37% was rated good to excellent in November. That's compared to an average of about 65%, although recent moisture in the West has eased some concerns, he said. World events, primarily Russia's invasion of Ukraine in February, triggered wild swings in the wheat market earlier this year, climbing to $14 for Chicago futures in early March from a low of $6 in July 2021. Russia and Ukraine account for 20% of worldwide wheat production and as the world's largest wheat-exporting region, the conflict between the two countries has resulted in much of the fluctuation, he said. "There are very big implications anytime you threaten access to Black Sea production," Ruhoff said. (Big Country News)

CORN—USDA FAS reported net sales for 2022/2023 for period December 2-8 were 958,900 MT, increases were to Guatemala (196,400 MT), Mexico (170,800 MT), unknown destinations (137,000 MT), Japan (79,100 MT), and El Salvador (78,800 MT). Exports of 590,500 MT were primarily to China (207,700 MT), Mexico (155,500 MT), Honduras (98,100 MT), Japan (60,300 MT), and Costa Rica (35,600 MT).

Ethanol Corn Usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending December 9 averaged 1.061 million bbls/day down 1.49 percent from the previous week and down 2.39 percent from last year. Total ethanol production for the week was 7.427 million barrels. Ethanol stocks were 24.409 million bbls on December 9, up 5.0 percent from last week and up 16.9 percent from last year. An estimated 106.04 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 1.42 billion bu. Corn used needs to average 101.716 million bu per week to meet USDA estimate of 5.275 billions bu for the crop year.

Futures Market News and Trends—Week Ending December 15, 2022

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, December 15, 2022:

Commodity	March 2023	Week Change	May 2023	Week Change	July 2023	Week Change	Sept 2023	Week Change
CHI SRW	**$7.54¼**	**$0.44½**	**$7.66**	**$0.31¾**	**$7.70½**	**$0.25¾**	**$7.76¼**	**$0.27**
KC HRW	**$8.60½**	**$0.09¾**	**$8.52¾**	**$0.19¾**	**$8.44¾**	**$0.17½**	**$8.45¾**	**$0.23¾**
MGE DNS	**$9.18¾**	**$0.17¼**	**$9.14**	**$0.14**	**$9.11¼**	**$0.12¼**	**$8.95**	**$0.28½**
CORN	**$6.53½**	**$0.09½**	**$6.53¾**	**$0.08½**	**$6.49**	**$0.08¼**	**$6.11¼**	**$0.05½**

WHEAT FUTURES—Wheat futures up amid disappointing export sales. **Wheat futures prices ranged up $0.09¾ to up $0.44½(per bu) over the previous week.**

CORN FUTURES—Corn futures prices up as price reaction to the Federal Reserve's impending decision to raise interest rates. **Corn futures prices ranged from up $0.05½ to up $0.09½ (per bu) over the previous week.**

CRUDE OIL FUTURES—Morgan Stanley on Wednesday said it expects Brent crude oil prices to rally to around $110 per barrel level by mid-2023, citing support from rising demand and continued supply tightness. (Reuters)

EIA reported U.S. crude oil refinery inputs averaged 16.1 million bbls/day during the week ending December 9, 2022 which was 459 thousand bbls/day less than last week's average. Refineries operated at 92.2% of capacity last week. As of December 9 there was an increase in Crude Oil stocks of 10.231 million bbls from last week to 424.129 million bbls, under the 5-year average of 450.633 million bbls. Distillate stocks increased by 1.364 million bbls to a total of 120.171 million bbls, under the 5-year average of 129.772 million bbls; while gasoline stocks increased by 4.496 million bbls to 223.583 million bbls, under the 230.529 million bbl 5-year average. The national average retail regular gasoline price was $3.239 per gallon on December 12, 2022, down $0.151 from last week's price and down $0.076 over a year ago. The national average retail diesel fuel price was $4.754 per gallon, down $0.213 from last week's price and up $1.105 from last year.

NYMEX Crude Oil Futures finished the week ending Thursday, December 15, 2022 to close at $76.11/bbl (January contract), up $5.09 for the week.

U.S Drought Monitor—December 15, 2022

Northeast: No significant changes were made in the region.

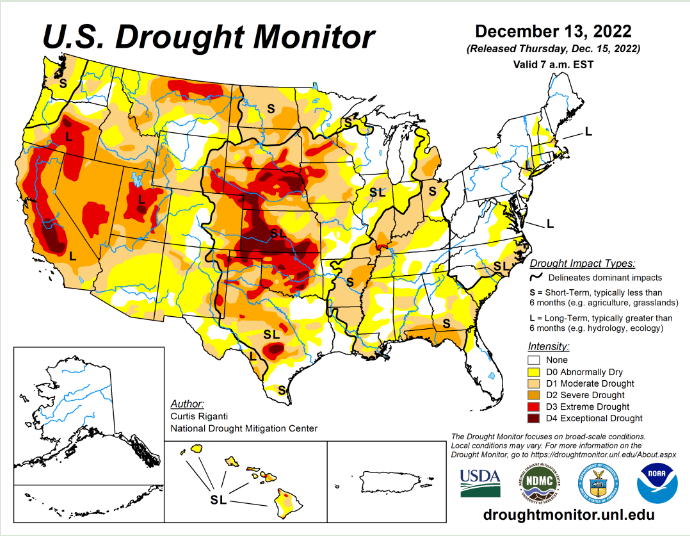
Southeast: Improvements were made in Georgia and Alabama. Worsening conditions in southern Georgia, the eastern Carolinas, southeast Alabama, and parts of Florida.

Midwest: Short term dryness developed in southeastern parts of the Michigan Lower Peninsula. Improvements were made in the southern tier of the region, from southern Missouri eastward through Kentucky.

High Plains: Improvements were made in southeast Kansas.

West: Improvements were made in Arizona, Nevada, Utah, Idaho, and southwest Montana.

South: Improvements made in Oklahoma through Tennessee.



USDA U.S. Crop Weather Highlights—December 15, 2022

West: Cold, mostly dry weather prevails. Freeze warnings are in effect again today in much of California's San Joaquin Valley and portions of the Desert Southwest, requiring producers to take protective measures in some instances for temperature-sensitive crops such as citrus.

Plains: Cold, snowy, windy weather lingers across Nebraska, the Dakotas, and eastern sections of Montana and Wyoming, with limited visibility in blowing snow maintaining hazardous conditions for travel and livestock. Meanwhile, cool, dry weather covers the southern half of the Plains. Freezes occurred early today as far south as central Texas.

Corn Belt: A significant rain event has ended east of the Mississippi River. On December 14, daily-record precipitation totals were observed in Illinois locations such as Lincoln (1.91 inches), Rockford (1.70 inches), and Springfield (1.58 inches). Meanwhile, widespread wintry weather is causing travel disruptions across the northern Corn Belt, from the Dakotas to Michigan.

South: Recovery efforts are underway in localities affected by the ongoing severe weather outbreak, which since December 13 has spawned more than 50 tornadoes—based on preliminary reports—from northeastern Texas to northern Florida and southern Georgia. Early today, the threat of severe weather continues in parts of Florida and Georgia. Currently, cool, dry air is overspreading areas west of the southern Appalachians.

Outlook for U.S.: Snow and wind across the north-central U.S. will bring significant precipitation (1-2 inches) will fall in the NORTHEAST. Cold air will overspread the northern Plains and upper Midwest, with temperatures plunging below 0 degrees and possibly falling to –20 degrees. Cold condition in the West, with daily freezes expected as far south as California's San Joaquin Valley and parts of the Desert Southwest. The NWS 6-10 day weather outlook for December 20-24 calls for colder than normal temperatures in much of Arizona, Nevada, Oregon, and Utah. Below normal precipitation from California to the southern Appalachians. Wetter conditions across the northern half of the U.S.

International Crop Weather Highlights—Week ending December 10, 2022

Europe: The coldest weather of the season ushered winter crops into dormancy in England, France, and Germany. Conversely, warm conditions kept winter grains and oilseeds vegetative in the Balkans. Moderate to heavy rain in southern Europe eased long-term drought in Spain and Italy. Moderate to heavy rain in southern Europe eased long-term drought in Spain and Italy.

Middle East: Drier weather returned to the region on the heels of recent beneficial rain, promoting fieldwork and winter grain establishment. However, locally heavy showers developed in Turkey at week's end. However, moderate to heavy showers provided soil moisture for winter crops in Saudi Arabia and southwestern Iran; the widespread rain was highly unusual on the Arabian Peninsula.

Asia: Severe Cyclonic Storm Mandous produced heavy showers across southern India and Sri Lanka, benefiting seasonal rice and other crops but causing some localized flooding. Cold, dry weather prevailed throughout eastern and southern China. Wheat was dormant and rapeseed was becoming dormant. Waves of tropical moisture brought heavy showers and localized flooding from the Philippines into central Vietnam and south into Malaysia and Indonesia. Beyond the flooding, the rain ensured ample moisture for seasonal rice and oil palm.

Australia: In the wheat belt, a few pockets of rain disrupted local fieldwork in southern Queensland, central New South Wales, and southern Western Australia. Otherwise, mostly dry weather favored wheat, barley, and canola harvesting and sorghum planting.

South America: Most Brazilian corn and soybean areas received much-needed rainfall, though a few dry pockets lingered in some southern farming areas.

South Africa: Mild, showery weather benefited emerging to vegetative summer crops.

USDA WASDE– World Agricultural Supply and Demand Estimates December 9, 2022

WHEAT: This month's 2022/23 U.S. wheat supply and use outlook is unchanged from last month. There are offsetting changes for exports by-class with Hard Red Spring and White higher and Soft Red Winter lower. The 2022/23 season-average farm price is forecast $0.10 per bushel lower at $9.10, based on prices received to date and expectations for futures and cash prices for the remainder of 2022/23.

The global wheat outlook for 2022/23 wheat is for reduced supplies, lower consumption, increased trade, and reduced stocks. Supplies are lowered 2.1 million tons to 1,056.9 million on reduced production for Argentina and Canada that is only partly offset by higher Australia production. Argentina is lowered 3.0 million tons to 12.5 million with reductions in both area harvested and yield on continued widespread dry conditions. This would be the lowest production since 2015/16. Canada's production is reduced 1.2 million tons to 33.8 million, based on the latest Statistics Canada estimate and is the third largest crop on record. Australia's production is raised 2.1 million tons to a record 36.6 million, on the latest Australian Bureau of Ag and Resource Economics (ABARES) forecast.

COARSE GRAINS: This month's 2022/23 U.S. corn outlook is for lower exports and greater ending stocks. Exports are lowered 75 million bushels as competition from other exporters and relatively high U.S. prices have resulted in slow sales and shipments through early December, resulting in corn ending stocks raised 75 million bushels. Season-average corn price received by producers is lowered 10 cents to $6.70 per bushel based on observed prices to date. U.S barley stocks were unchanged. Globally, barley production is raised for Australia based on the most recent crop report from ABARES. Argentina barley production is cut on continued dry conditions.

NOAA Three Month Outlook for January, February, March—December 15, 2022